

*Eagle Urban Renewal Agency
660 E. Civic Lane
Eagle, Idaho 83616*

Letter of Intent

February 12, 2015

Mr. Caleb Roope
Eagle Pacific Associates, an Idaho Limited Partnership
c/o Pacific West Communities, Inc.
430 East State Street, Ste. 100
Eagle, ID 83616

Re: Cottonwood Meadows
48-Unit Senior Housing Project
NEC E. Riverside Drive and S. Ancona Ave, Eagle, Idaho

Dear Mr. Roope,

This Letter of Intent notes general concepts that will be considered in the negotiation of an owner reimbursement agreement for the Cottonwood Meadows Senior Housing Project. Should you execute a mutually acceptable agreement with the Eagle Urban Renewal Agency and your project proceeds forward, you have advised that you will install all of the required public improvements at your own expense, and intend to request reimbursement from the Agency for certain of those improvements on the following terms and conditions:

- Reimbursable Public Improvement Costs: The costs of extending East Riverside Drive from Ancona Avenue in an easterly direction approximately 1,360 feet to full-width specifications, including all required utilities, street lights, curbs, gutters and sidewalks and such other associated costs eligible for reimbursement under Idaho urban renewal law.
- Maximum Reimbursement Amount: Up to \$380,000
- Annual Payments: Payments would only be made from the additional net tax increment revenue to the agency generated by your project for a particular fiscal year. Project owner would be reimbursed by an annual payment of 75% of the Agency's net share of additional incremental property tax revenue generated for that fiscal year from the development of the proposed housing project when and as received by the Agency. Net share shall be calculated after any pass through

payments due to other taxing districts. There shall be no penalty or other fees for early reimbursement of the full amount.

- Interest: No interest shall be charged, earned or paid on the reimbursement amount.
- Term: Any balance remaining to be reimbursed at the end of the Agency's term of existence or should the EURA be dissolved shall be forfeited by project owner.

The concepts in this letter are expressly contingent on the following:

- The housing project must be approved by the City of Eagle.
- If the Project moves forward it must be developed in accordance with all City of Eagle development and building requirements and the requirements and regulations of all other applicable agencies.
- Negotiation and execution of a mutually acceptable owner reimbursement agreement between you and the EURA. The terms and conditions of any such agreement must be in full compliance with Idaho urban renewal law and any agency and local policies and regulations as specified in the Agency's governing documents.
- All infrastructure eligible for cost reimbursement must be installed per City of Eagle and Ada County Highway District standards and accepted by said agencies prior to reimbursement.
- The project owner will be required to provide sufficient supporting documentation verifying the costs of construction of the public improvements for which reimbursement is requested.

We wish you the best as you seek to advance this project forward. If you should have any questions regarding this letter, please contact my office.

Sincerely,



Jeff Kunz, Chairman
Eagle Urban Renewal Agency